

# **The Office of the Recorder of Deeds**

**Audit Report  
For the Period January 1, 2005  
through December 31, 2006**

**Richard W. Towcimak  
Beaver County Controller**

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RICHARD W. TOWCIMAK  
CONTROLLER



VINCENT LaVALLE  
DEPUTY CONTROLLER  
ROBERT LEWIS, JR.  
SOLICITOR

BEAVER COUNTY COURTHOUSE  
THIRD STREET – BEAVER, PENNSYLVANIA 15009-2196  
TELEPHONE: Area Code 724-728-5700

November 5, 2007

Janice Jeschke Beall  
Beaver County Recorder of Deeds  
Beaver County Court House  
Beaver, PA 15009

Dear Ms. Beall:

We have audited the financial records of the office of the Recorder of Deeds in the county of Beaver of the state of Pennsylvania for the period January 1, 2005 through December 31, 2006. Based upon this audit we have issued our report thereon dated November 5, 2007.

We conducted our audit in accordance with generally accepted governmental auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Based upon our review of the financial records, in our opinion, the statement of revenues and expenditures is fairly stated in all material aspects.

Richard W. Towcimak  
Beaver County Controller

### **AUDIT SCOPE:**

The scope of this audit encompasses the period from January 1, 2005 to December 31, 2006.

### **AUDIT OBJECTIVES:**

Through the completion of internal control questionnaires, control tests, substantive tests, and observation, the following audit objectives were accomplished for this audit:

- Prepare a financial statement for each year reviewed
- Evaluate controls over the Recorder of Deeds checking accounts and change fund
- Ensure that funds are deposited timely
- Ensure that funds received are disbursed to the proper payees
- Ensure that funds held in escrow are adequate
- Ensure that funds receipted are applied properly
- Ensure that void receipts are voided for a valid reason
- Ensure that reports and funds due to the Commonwealth are correct and remitted in a timely manner
- Ensure that proper documentation is maintained in the files
- Evaluate the controls over cash
- Evaluate the controls over purchasing and the administration of the budget
- Evaluate controls over general office procedures

**THE OFFICE OF THE RECORDER OF DEEDS  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDING DECEMBER 31, 2005**

**Beginning Balance (1/1/05)** \$ 601,174.04

**Receipts:**

Money Market Account:

Local Realty Tax Account	\$ 4,219,370.18
Justice Fund	273,350.00
County Recording Fees	590,166.93
Affordable Housing Collections	212,537.00
Record Improvement Collections	152,215.00
Bank Interest, Record Improvement	2,489.12
Copy Fees	48,762.00
State Fees	17,873.50
State Notary Commissions	560.00
UCC Fees	<u>20,045.00</u>
Total:	\$ 5,537,368.73
State Realty Tax Collections	4,217,700.90
State Realty Tax Commissions	38,567.46
Bank Interest	<u>8,482.95</u>

Total Receipts \$ 9,802,120.04

**Disbursements:**

Commonwealth of Pennsylvania:

Realty Tax	\$ 4,270,546.22
Justice Fund	274,860.00
Fees	17,496.41
Notary Commission	<u>874.00</u>
Total:	\$ 4,563,776.63

Beaver County School Districts 2,109,899.84

Beaver County Municipalities 2,108,915.58

Beaver County:

County Recording Fees	\$ 568,429.43
Affordable Housing	204,542.00
Copy Fees	47,492.00
Local Tax Collection Commission	82,946.60
Act 8 (used)	24,247.05
Records Improvement – Act 8	58,628.00
State Transfer Tax Commission	42,115.35
Interest	3,414.74
Writ Tax Commission (3%)	541.09
BC UCC Fund	<u>18,240.00</u>

Total: \$ 1,050,596.26

Total Disbursements \$ (9,833,188.31)

**Adjustments:**

NSF Checks	(275.00)
NSF Fees	70.00

Total Adjustments (205.00)

**Ending Balance (12/31/05)** **\$ 569,900.77**

**THE OFFICE OF THE RECORDER OF DEEDS  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDING DECEMBER 31, 2006**

**Beginning Balance (1/1/06)**

\$ 569,900.77

**Receipts:**

Money Market Account:

Local Realty Tax Collection	\$ 5,548,627.02
Justice Fund	255,870.00
County Recording Fees	556,704.00
Affordable Housing Collections	202,254.00
Record Improvement Collections	142,795.00
Bank Interest, Record Improvements	8,665.17
Copy Fees	44,158.50
State Fees	16,772.50
State Notary Commissions	540.00
UCC Recording Fees	<u>19,760.00</u>

Total: \$ 6,796,146.19

State Realty Tax Collections	5,545,280.21
State Realty Tax Commissions	56,685.62
Bank Interest	<u>17,498.46</u>

Total Receipts: 12,415,610.48

**Disbursements:**

Commonwealth of Pennsylvania:

Realty Tax	\$ 5,563,321.98
Fees	16,339.17
Justice Fund	257,970.00
Notary Commission	<u>559.00</u>

Total: \$ 5,838,190.15

Beaver County School Districts	2,712,597.71
Beaver County Municipalities	2,691,278.81

Beaver County:

BC UCC Fund	\$ 20,235.00
County Recording Fees	560,914.50
Affordable Housing	203,658.00
Copy Fees	44,484.00
Local Tax Collection Commission	110,283.15
Act 8 – used	57,578.00
Records Improvement – Act 8	43,147.49
State Transfer Tax Commission	56,685.62
Interest	17,103.32
Writ Tax Commission (3%)	505.33

Total: \$ 1,114,594.41

Total Disbursements (12,356,661.08)

**Adjustments:**

Bank Errors	(4.51)
Deposit Errors	(1.09)
NSF Service fees	175.00

Total Adjustments 169.40

**Ending Balance (12/31/06)**

**\$ 629,019.57**

**THE OFFICE OF THE RECORDER OF DEEDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2005 THROUGH DECEMBER 31, 2006**

Note 1: Summary of Significant Accounting Policies - The office of the Recorder of Deeds reports on the cash basis of accounting. Under the cash basis of accounting revenues are recognized when received and expenses recognized when the disbursement is made.

Note 2: Beaver Realty Tax - PA Dept of Revenue Account - This account is a local account established by the Pennsylvania Department of Revenue. The Office of the Recorder of Deeds collects and deposits the state portion of realty taxes into this account, however they have no withdrawal authority or control of the funds once deposited. The account is maintained by the state which makes all withdraws by electronic funds transfers. All deposits into the account represent disbursements made by the Office of the Recorder of Deeds. All differences between Recorder of Deeds yearly receipts and disbursements are due to time lags in the depositing of these funds.

State Funds receipted in 2004 deposited in 2005	\$ 83,329.40
State Funds receipted in 2005 deposited in 2006	\$ 30,484.08
State Funds receipted in 2006 deposited in 2007	\$ 12,442.31

Note 3: Affordable Housing Revenue - Recording Fees collected by The Recorder of Deeds for Affordable Housing are distributed 85% to Community Development and 15% is maintained by The Recorders Office.

Note 4: Beaver County UCC Fees - UCC Recording fees collected by The Office of the Recorder of Deeds are distributed 88% to the Prothonotary's office and 12% is maintained by the Recorder's office.

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November 5, 2007

Janice Jeschke Beall  
Beaver County Recorder of Deeds  
Beaver County Court House  
Beaver, PA 15009

Report on Internal Control Structure

We have audited the accompanying statement of account of the office of the Recorder of Deeds, Beaver County, Pennsylvania, for the period January 1, 2005 to December 31, 2006, and have issued our report thereon dated November 5, 2007.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the office of the Recorder of Deeds, Beaver County, Pennsylvania, for the period January 1, 2005 to December 31, 2006, we considered the office's internal control structure to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and the office's compliance with applicable regulations and not to provide assurance on the internal control structure.



The management of the office of the Recorder of Deeds is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in accordance with prescribed policies. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, future reliance on any evaluation of the structure, past or current, is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the internal control structure we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation. Additionally, we assessed control risk for the internal control structure except for matters of compliance. Compliance with applicable laws and regulations was considered when assessing control risk for the internal control structure.

We noted no matters involving the internal control structure and its operation that we consider reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the office's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce, to a relatively low level, the risk that material errors or irregularities affecting the financial statements being audited may occur and not be timely detected by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses as defined above. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

This report is intended solely for the information and use of the Office of the Controller, management, and others within the administration. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to read "Richard W. Towcimak", is written over the printed name.

Richard W. Towcimak  
Beaver County Controller

An exit conference was held on November 5, 2007 for the purpose of discussing the items presented in this report. Those in attendance were:

The Recorder of Deeds

Janice Jeschke Beall – Elected official, Recorder of Deeds

Beaver County Controller's Office

Charles Gibbons - Auditor

The results of the audit were discussed in there entirety during this conference.

Based upon our review of the financial records, in our opinion, the statement of revenues and expenditures is fairly stated in all material aspects.

As part of the Office of the Controller's normal reporting procedure, a copy of this report will be distributed to the Beaver County Law Department. Also be advised that a copy of this report will appear on the county internet system.